

Message Text

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SUBJECT: EUROPEAN PARLIAMENT TO DEBATE US-EC ECONOMIC AND
TRADE RELATIONS

1. EUROPEAN PARLIAMENT IS SCHEDULED TO EXAMINE US-EC
COMMERCIAL AND ECONOMIC RELATIONS IN A DEBATE ON JANUARY 11.
DEBATE WILL BE BASED ON A REPORT PREPARED BY PIERRE B.COUSTE
(GAULLIST, FRANCE)ON BEHALF OF THE PARLIAMENT'S FOREIGN
RELATIONS COMMITTEE.(PARLIAMENTARY DOCUMENT 468/76).
COUSTE REPORT EMPHASIZES ESSENTIALLY POSITIVE TONE OF US-EC
RELATIONS,CONCLUDING THAT IN ECONOMIC FIELD,IN GENERAL,
THEY ARE "VERY GOOD". BULK OF PAPER IS DEVOTED TODETAILED
DISCUSSION OF VARIOUS TRADE COMLAINTS INVESTIGATED BY US IN
1975-76.CONCLUSION HERE IS THAT WITH EXCEPTION OF SPECIALTY
STEEL,USG RESISTED PROTECTIONIST PRESSURES EMANATING FROM
(SHOAS,AUTOMOBILES,STEEL VAT REBATES,ETC.).
PRIVATE SECTOR CONCERNING EC EXPORTS OF DOLS 4.5 BILLION. REPORT
ALSO CHALLENGES "WIDELY-HELD" AMERICAN VIEW THAT
CREATION OF EC HAS HAD ECONOMIC DISADVANTAGES FOR US.
IT STATES THAT AVERAGE ANNUAL US FAVORABLE TRADE
BALANCE FROM 1958-72 WAS DOLS 1.5 BILLION AND
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FOR THE FIRST 9 MONTHS OF 1975 WAS DOLS 6.9 BILLION.
IN AGRICULTURE, WHERE EC POLICIES ARE OFTEN CRITICIZED IN US,
EC ANNUALLY ABSORBS ABOUT 25 PERCENT OF US TOTAL EXPORTS,US EXPORTS
DOUBLED IN VALUE FROM 1972 TO 1975 AND US HAD FAVORABLE TRADE
BALANCE OF DOLS 4.2 BILLION (1974). ON FOREIGN INVESTMENT IN
US,REPORT STATES THAT US IS BEGINNING TO CONSIDER CONTROL ON
FOREIGN INVESTMENT FOR FIRST TIME IN ITS HISTORY.

ALTHOUGH NEW US LAWS CAN BE CONSIDERED AS " PREVENTIVE MEASURES AGAINST A SUDDEN WAVE OF RAB INVESTMENT", REPORT RECOMMENDS THAT EC FOLLOW CAREFULLY US DEVELOPMENTS IN THIS AREA. REPORT REVIEWS US AND EC POSITIONS ON MTN AND STATES THAT END OF US ELECTION PERIOD SHOULD ALLOW ACCELERATED PROGRESS.REPORT SINGLES OUT SEMI-ANNUAL HIGH-LEVEL US-EC COMMISSION CONSULTATIONS, AS WELL AS PARLIAMENT-CONGRESSIONAL CONTACTS,AS USEFUL MEANS TO DISCUSS AND SOLVE COMMON PROBLEMS.

2.REPORT RECOMMENDS THAT PARLIAMENT ADOPT A RESOLUTION WHICH WOULD,INTER ALLIE:

- STATE THAT US-EC RELATIONS ARE IN GENERAL VERY GOOD;
- CONGRATULATE THE AMERICAN GOVERNMENT FOR NOT HAVING YIELDED,IN GENERAL,TO PROTECTIONIST PRESSURES.
- DRAW ATTENTION TO THE "DISEQUILIBRIUM" IN AGRI-CULTURAL TRADEX AND CONCLUDE THAT EC AGRICULTURAL POLICY " IS LESS PROTECTIONIST" THAN IT MIGHT SEEM AT FIRST GLANCE".
- ANTICIPATE THAT US MEASURES ON INVESTMENT WILL NOT INHIBIT EUROPEAN DIRECT INVESTMENTS.
- HOPE THAT THE MTN WILL CONCLUDE,IF POSSIBLE,BEFORE THE END OF 1977.
- EXPECT THAT THE NEW US ADMINISTRATION WILL MAKE EVERY EFFORT TO REMOVE PRESENT IMPEDIMENTS TO TRADE AND RESIST PROTECTIONIST TRENDS.

3.MISSION WILL REPORT ON SUBSTANCE OF DEBATE.
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